

# FISCAL IMPACT STATEMENT ON BILL NO. **S.273**

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TO:	The Honorable John E. Courson, Chairman, Senate Education Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Bryce Wilson		
DATE:	February 11, 2005	SBD:	2005111
AUTHOR:	Senator Ford	PRIMARY CODE CITE:	59-127-65
SUBJECT:	SC State University - Law and Engineering Schools		

## ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

See below

## ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

See below

### BILL SUMMARY:

This Bill proposes that beginning with the fall semester of 2006, an engineering school and law school must be established by the board of trustees of SC State University on its campus in Orangeburg. Funds for the engineering school and the law school must be provided by the General Assembly in the annual general appropriation act and may be supplemented by the university from other funds and private donations.

### EXPLANATION OF IMPACT:

The Commission on Higher Education (CHE) and SC State University (SCSU) estimates the cost to establish a law school at SCSU to be \$11,304,974 of which \$9,740,000 is first year non-recurring expenses. Non-recurring costs include \$9,000,000 to construct a new facility; \$740,000 for a law library, computer equipment and furnishings. Annual operating cost of \$1,564,974 includes, among other things, salary and fringe for four staff and four faculty members. Estimates are based on enrollment of 84 FTE students. If enrollment increases over 84 FTE students costs would go up approximately \$14,000 per student.

CHE and SCSU estimate first year cost to establish an undergraduate engineering school at SCSU to be \$27,359,167 of which \$25,100,000 is first year non-recurring expenses. Non-recurring cost includes \$25,000,000 to construct a new facility, \$100,000 for equipment and furnishings and. Annual operating costs of \$2,259,167 includes, among other things, salary and fringe for three support staff and eight faculty members. Estimates are based on enrollment of 120 FTE students. If enrollment increases over 120 FTE student's costs would go up approximately \$8,000 per student.

<u>Summary</u>			
	<u>Law</u>	<u>Engineering</u>	<u>Total</u>
Number of Students	84	120	204
Annual Operating - Including Salary & Fringe	\$1,564,974	\$2,259,167	\$3,824,141
Non Recurring - Contruction & Furnishings	\$9,740,000	\$25,100,000	\$34,840,000
Total First Year Cost	\$11,304,974	\$27,359,167	\$38,664,141

Total estimated costs to establish a law school and an undergraduate engineering school at SCSU is \$38,664,141 initially and \$3,824,141 annually thereafter. The impact on the General Fund is at the General Assembly's discretion. This initiative could be funded with State General Funds and/or tuition & fee revenue. Construction costs could be financed through Bond issuance

**LOCAL GOVERNMENT IMPACT:**

None.

**SPECIAL NOTES:**

USC notes that establishment of a law school and engineering school at SCSU could impact tuition revenue at USC to the extent that such programs reduces enrollment.

Approved by:

A handwritten signature in black ink, appearing to read "Don Addy". The signature is fluid and cursive, with the first name "Don" and last name "Addy" clearly distinguishable.

Don Addy  
Assistant Director, Office of State Budget